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B. B. GULLETT 1905-1992

September 10, 1996

Eddie Roberson Executive Director Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37201

> Application of United Telephone-Southeast, Inc. Re: for Certificate of Public Convenience and Necessity to Provide InterLATA Interexchange Telephone Service -- Docket No. 96-01235

Dear Mr. Roberson:

Enclosed for filing in the above-styled docket is the testimony of Richard Guepe on behalf of AT&T of the South Central States, Inc. This is filed pursuant to a Notice dated August 22, 1996 in this proceeding. Copies of this testimony have been served upon all interested parties.

I appreciate your attention to this matter.

Sincerely,

John Knox Walkup

Attorney for AT&T Communications of the South Central States, Inc.

JKW:ka Enclosure

cc: James B. Wright, Esq. Dianne F. Neal, Esq.

| 1 | AT8 | ET COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC. |
|----|-----|---|
| 2 | | TESTIMONY OF RICHARD GUERE |
| 3 | | BEFORE THE TENNESSEE REGULATORY AUTHORITY |
| 4 | | BEFORE THE TENNESSEE REGULATORY AUTHORITY DOCKET NO. 96-01235 |
| 5 | | SEPTEMBER 10, 1996 |
| 6 | | SEPTEMBER 10, 1996 |
| 7 | Q. | PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND TITLE |
| 8 | | |
| 9 | A. | My name is Richard Guepe and my business address is 1200 Peachtree |
| 10 | | Street, N.E., Atlanta, Georgia 30309. I am employed by AT&T as a |
| 11 | | District Manager in the Law & Government Affairs organization. |
| 12 | | |
| 13 | Q. | BRIEFLY OUTLINE YOUR EDUCATIONAL BACKGROUND AND |
| 14 | | BUSINESS EXPERIENCE IN THE TELECOMMUNICATIONS |
| 15 | | INDUSTRY. |
| 16 | | |
| 17 | A. | I received a Bachelor of Science Degree in Metallurgical Engineering in |
| 18 | | 1968 from the University of Notre Dame in South Bend, Indiana. I |
| 19 | | received a Masters of Business Administration Degree in 1973 from the |
| 20 | | University of Tennessee in Knoxville, Tennessee. My |
| 21 | | telecommunications career began in 1973 with South Central Bell |
| 22 | | Telephone Company in Maryville, Tennessee, as an outside plant |
| 23 | | engineer. During my tenure with South Central Bell, I held various |
| 24 | | assignments in outside plant engineering, buildings and real estate, |
| 25 | | investment separations and division of revenues. At divestiture (1/1/84), |
| 26 | | I transferred to AT&T where I have held numerous management |

positions in Atlanta, Georgia, and Basking Ridge, New Jersey, with 1 responsibilities for investment separations, analysis of access charges 2 and tariffs, training development, financial analysis and budgeting, 3 strategic planning, regulatory issues management, product 4 implementation, strategic pricing, and docket management. 5 6 PLEASE STATE THE PURPOSE OF YOUR TESTIMONY. 7 Q. 8 The purpose of my testimony is to request the Tennessee Regulatory 9 A. Authority to ensure Sprint United complies with the provisions of the 10 Federal Telecommunications Act of 1996 ("The Act") concerning dialing 11 parity and with applicable Tennessee statutes. Specifically, AT&T 12 requests the Tennessee Regulatory Authority to direct Sprint United to 13 implement 1+ intraLATA presubscription in its exchanges in Tennessee. 14 15 WHY IS THIS NECESSARY? Q. 16 17 AT&T has requested Sprint United to implement intraLATA 18 A. presubscription; however, Sprint United has not set a presubscription 19 schedule. Sprint United also now petitions the Tennessee Regulatory 20 Authority to authorize it to provide interLATA interexchange telephone 21 services. IntraLATA presubscription is required by the Federal

Telecommunications Act of 1996 and Tennessee law and will give

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23

| 1 | | consumers a choice of their intraLATA toll carrier. Today all 1+ |
|----|----|---|
| 2 | | intraLATA traffic is carried by Sprint United. Customers are denied a |
| 3 | | choice of providers. |
| 4 | | |
| 5 | Q. | HOW DOES THE FEDERAL TELECOMMUNICATIONS ACT OF |
| 6 | | 1996 ADDRESS PRESUBSCRIPTION? |
| 7 | | |
| 8 | A. | Under Section 251(b) (3) of the Act, each local exchange company has the |
| 9 | | duty to provide dialing parity to competing providers of telephone |
| 10 | | exchange service and telephone toll service. This requires local exchange |
| 11 | | companies to implement intraLATA presubscription. Tennessee law also |
| 12 | | requires telecommunications service providers to provide features, |
| 13 | | functions, and services promptly and on a non-discriminatory basis. |
| 14 | | T.C.A. Section 65-4-124 (a). |
| 15 | | |
| 16 | Q. | DOES THE ACT HAVE A TIMELINE FOR THE |
| 17 | | IMPLEMENTATION OF INTRALATA PRESUBSCRIPTION? |
| 18 | | |
| 19 | A. | The Telecommunications Act requires local exchange companies to |
| 20 | | implement intraLATA presubscription, but is not date specific. The FCC |
| 21 | | Order addressing dialing parity, released August 8, 1996, orders all LECs |

| 1 | | who currently provide or are planning to provide in-region interLATA toll |
|----|----|--|
| 2 | | service to implement intraLATA toll dialing parity no later than August |
| 3 | | 8, 1997. However, Tennessee law requires that telecommunications |
| 4 | | service providers furnish access to features, functions, and services |
| 5 | | promptly. |
| 6 | | |
| 7 | Q. | WHY DOES AT&T FEEL THE TENNESSEE REGULATORY |
| 8 | | AUTHORITY SHOULD ADDRESS INTRALATA |
| 9 | | PRESUBSCRIPTION IN SPRINT UNITED TERRITORY? |
| 10 | | |
| 11 | A. | If Sprint United were allowed to provide interLATA service while not |
| 12 | | implementing intraLATA presubscription until August, 1997, the intent |
| 13 | | of the Telecommunications Act of 1996 and Tennessee law will be |
| 14 | | frustrated. The Telecommunications Act is designed to promote |
| 15 | | competition in the telecommunications industry, neither assisting nor |
| 16 | | hindering specific competitors. Tennessee law similarly promotes |
| 17 | | competition in the telecommunications industry and prohibits |
| 18 | | unreasonable prejudice to any telecommunications services provider. |
| 19 | | T.C.A. Section 65-4-123 (a). The intent of both statutes is to require fair, |
| 20 | | free and effective competition be implemented. It is discriminatory and |
| 21 | | anti-competitive for United to provide packaged local, 1+ intraLATA |

| 1 | | service and 1+ interLATA service while at the same time denying its |
|----|----|---|
| 2 | | competitors 1+ intraLATA equal access. Allowing Sprint United to |
| 3 | | provide 1+ interLATA and 1+ intraLATA services now, while denying its |
| 4 | | competitors the ability to provide 1+ interLATA and 1+ intraLATA |
| 5 | | services until August 1997 would give Sprint United nearly a one year |
| 6 | | head start. Giving Sprint United this one year advantage would violate |
| 7 | | the non-discrimination requirements of the Act as well as Tennessee's |
| 8 | | requirement of prompt provision of features, functions, and services on a |
| 9 | | non-discriminatory basis. Sprint United should not be allowed to use its |
| 10 | | monopoly position to throw up roadblocks to potential competitors. |
| 11 | | |
| 12 | Q. | WHAT ACTIONS DOES AT&T REQUEST THE TENNESSEE |
| 13 | | REGULATORY AUTHORITY TO TAKE? |
| 14 | | |
| 15 | A. | AT&T requests the Tennessee Regulatory Authority to require Sprint |
| 16 | л. | United to fully implement intraLATA presubscription as a condition to its |
| | | |
| 17 | | provision of interLATA services. |
| 18 | | THE THE THE THE CONTROL OF THE MENNIERCE TO |
| 19 | Q. | HOW DOES AT&T RECOMMEND THAT THE TENNESSEE |
| 20 | | REGULATORY AUTHORITY ACCOMPLISH THIS? |
| 21 | | |
| 22 | A. | AT&T suggests that in order to provide dialing parity without delaying |
| 23 | | Sprint United's entry into the interLATA market, as Sprint United's |

| 1 | | offices are converted to 1+ intraLATA equal access, Sprint United then be |
|---|----|---|
| 2 | | allowed to provide interLATA services to customers served by those |
| 3 | | offices. |
| 4 | | |
| 5 | Q. | DOES THIS CONCLUDE YOUR TESTIMONY? |
| 6 | | |
| 7 | A. | Yes. |

CERTIFICATE OF SERVICE

I, John Knox Walkup, hereby certify that a copy of the foregoing Testimony has been served on the following parties of record by depositing a copy of the same in U.S. Mail, postage prepaid, addressed to them, this 10th day of September, 1996:

James B. Wright, Esq. United-Telephone Southeast, Inc. 14111 Capital Boulevard Wake Forest, NC 27586-5900

Dianne Neal, Esq. General Counsel Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37201

John Knox Walkup

BEFORE THE TENNESSEE REGULATORY AUTHORITY

STATE OF GEORGIA COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Richard Guepe who, being by me first duly sworn deposed and said that:

He is appearing as a witness for AT&T Communications of the South Central States, Inc. before the State of Tennessee Regulatory Authority relating to Docket No. 96-01235 and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of

pages and _O exhibits.

Richard Guepe

SWORN TO AND SUBSCRIBED BEFORE ME this 9th day of <u>September</u> 1996.

Notary Public M. O. S.

Notary Public, Fayette County, Georgia. My Commission Expires June 23, 1997

My commission expires